

15 April 1959

MEMORANDUM FOR THE RECORD

SUBJECT: Senate Hearings on S. 94

1. Hearings will be held on this bill at 9:30 a. m. on April 15, 16, 21, and 23. Committee Chairman Senator Newberger stated that the Committee is not wed to S. 94 and that suggestions for changes are requested. He stated that this is a starting point.

2. Mr. Elmer Staats, Assistant Director, Bureau of the Budget testified that the administration is for some bill, preferably on no more than a 50-50 basis; that they believe that a suitable bill will take considerable study and that the program should not start before July 1, 1960.

3. Mr. Roger Jones, Chairman, Civil Service Commission, presented a new attachment to the report on S. 94 which was only delivered to the Committee yesterday. It outlines 18 principles which should be taken into consideration in drafting a suitable bill. These are discussed in brief. The attachment then comments on S. 94 and then draws a comparison between S. 94 and the principles of the comprehensive plan which the Commission thinks would be more desirable. The Commission's plan is very liberal and although having a small deductible which applies per person per year it covers all doctor's fees whether in or out of a hospital and has a major medical feature.

4. Mr. Jones then gave the essentials of the FBI's plan which is underwritten by Prudential, stating that the family rate for agents was \$13.50, then outlined the Federal Deposit Insurance Corporation's plan which costs \$11.48 for the family plan. The employee pays the difference between the single plan and the family plan. He also gave the essentials of the TVA plan and the CIA plan. From his rundown of the benefits it is my opinion that we still have an excellent semi-major medical plan at the cheapest cost to the employee. Also, our Board of Directors is considering further liberalization of our present plan.

5. On what amounts should be paid by the Government and what amounts should be paid by the employee it was noted that General Electric, the Steel Industry, the Auto Industry, and Dupont all have 50% participation.

6. Mr. Jones estimated that 4 1/2 million employees and dependents would be covered and the estimated cost for the Civil Service plan as they conceive it would be \$5.07 single, \$15.17 family.

7. It is my opinion that both S. 94 and the Civil Service proposed outline of the acceptable plan are both extremely liberal and will, I am afraid, break down under their own weight. I further am inclined to believe both of these plans are so liberal they will not have much of a chance passing in their present form.

8. In order that our special and specific interests will be provided for it would appear desirable for someone from this Agency to be in touch with the Civil Service as it looks like it will take the lead in formulating some sort of plan.

9. Attached is a copy of the Civil Service attachment on S. 94.


Chief, Benefits and Services Division

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FORM NO. 241
1 FEB 55REPLACES FORM 36-8
WHICH MAY BE USED.

(47)

TRANSMITTAL SLIP		DATE
		4 May 1959
TO: Mr. John L. Bischoff		
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2525	Curie Hall	
REMARKS:		
<p>Per your request, the attachments to S. 94 are returned with thanks.</p> <p>1) Attachment to Report S. 94, U. S. Civil Liberties Commission 4/8/59</p> <p>2) Hedrickson S. 94 - Insurance label PO & S - 4/16/59</p>		
FROM: George L. Cary, Jr.		
ROOM NO.	BUILDING	EXTENSION
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MISSING PAGE

ORIGINAL DOCUMENT MISSING PAGE(S):

Attachment